

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Representatives Present During the Inspection:

OGM Pete Hess

Inspection Report

| | |
|------------------|------------------------------|
| Permit Number: | C0070016 |
| Inspection Type: | COMPLETE |
| Inspection Date: | Monday, December 05, 2011 |
| Start Date/Time: | 12/5/2011 10:28:00 AM |
| End Date/Time: | 12/5/2011 11:00:00 AM |
| Last Inspection: | Wednesday, November 02, 2011 |

Inspector: Pete Hess,

Weather: Clear, windy, cold. 20's F.

InspectionID Report Number: 2945

Accepted by: jhelfric

12/8/2011

Permitee: **CANYON FUEL COMPANY**

Operator: **CANYON FUEL COMPANY**

Site: GORDON CREEK 2, 7 & 8 MINES

Address: HC 35 BOX 380, HELPER UT 84526

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**Permit Status: **RECLAIMED**

Current Acreages

| | |
|--------|------------------------|
| 179.27 | Total Permitted |
| 34.15 | Total Disturbed |
| 32.52 | Phase I |
| 32.52 | Phase II |
| 0.73 | Phase III |

Mineral Ownership

- ☒ **Federal**
☐ **State**
☐ **County**
☒ **Fee**
☐ **Other**

Types of Operations

- ☒ **Underground**
☐ **Surface**
☐ **Loadout**
☐ **Processing**
☐ **Reprocessing**

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The reclaimed site is snow covered, with a 3-4 inch accumulation at the terminus of the County road. The Division initiated a Mid-term review of the Gordon Creek 2 / 7 / 8 mine permit on December 1, 2011 (Task ID # 3981).

Inspector's Signature:

Pete Hess.

Inspector ID Number: 46

Date Tuesday, December 13, 2011



Note: This inspection report is posted to the Public Information Act Compliance with the Regulatory program of the Division of Oil, Gas and Mining.
 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS, PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | Evaluated | Not Applicable | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Change, Transfer, Renewal, Sale | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1. Permits, Change, Transfer, Renewal, Sale

The current State of Utah coal mining permit remains in effect through August 27, 2014.

4.a Hydrologic Balance: Diversions

The Bryner Creek channel was snow covered and frozen.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Annual Impoundment Certification for the Jacob's Pond stock watering impoundment was completed by Mr. Dan Guy, Utah P.E. on August 26, 2010. The 3rd Quarter 2011 impoundment inspection for this facility was completed on August 30, 2011. There were no indications of structural instability or other hazards identified.

14. Subsidence Control

Mining activities were terminated in 1990. An annual subsidence map is not required.

19. AVS Check

A Directors and Officers Report (current as of 3/21/2011) was included in the 2010 Annual Report as "Appendix C". Mountain Coal Company is a subsidiary of the ARCH Western Bituminous Group.

21. Bonding and Insurance

The amount of reclamation surety in place at this time is \$ 641,443.00. The Division will appraise the bond amount as part of Task ID # 3981, Mid-term Permit Review. It appears that all reclamation work has been completed at this time. General liability insurance is maintained through the National Union Fire Insurance Company of Pittsburgh, Pa. Term coverage is from July 31 to July 31. All R645-301-800 requirements are being met.